



**Testimony before the Senate Appropriations Committee
Loan Forgiveness Legislation, SB 648 & 649
Dr. Tina Tanner, MD**

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Good morning Chairman Kahn and members of the Senate Appropriations Committee. My name is Dr. Tina Tanner, MD and I am the President-elect of the Michigan Academy of Family Physicians (MAFP), the state's largest physician specialty association. Representing over 3,000 members, the Academy's mission is to promote excellence in health care and access to a Family Physician for all the citizens of Michigan. I am testifying today on behalf of the Academy in support of SB 648 & 649, two bills that would make common sense changes to Michigan's State Loan Repayment Program. We as an Academy believe the objectives of the bills properly align with the dual policy goals of addressing health care provider workforce challenges and increasing access to primary care.

The State Loan Repayment Program was created in 1978 under Public Act 368 to provide loan forgiveness to certain eligible primary care providers who agree to practice in an underserved area for a specified period of time. The funding mix varies by year but is typically shared between federal, state and local/private dollars. While the State Loan Repayment Program must follow some federal guidelines tied to funding, it is typically perceived as more flexible and easily adaptable to Michigan's changing health care workforce demands when compared to its federal counterpart – the National Health Service Corps. Still, we agree that some changes and updates in statute are necessary to reflect the trends associated with modern student loan debt and we believe the changes afforded by these bills will, among other things, allow Michigan to retain providers in communities for a longer period of time, while at the same time maintain the Department of Community Health's flexibility to effectively administer the program.

The modest changes that would come out of the bills include removing the current ceiling of four years for a primary care health care provider to practice in an underserved area and raising the lifetime cap on loan forgiveness for providers. In addition, the language authorizes the Department to prioritize the physician specialty areas of internal medicine, family medicine, pediatrics and obstetrics when crafting reimbursement contracts for physicians. We believe this change coincides with the data on current provider needs in underserved areas throughout the state of Michigan.

There is, of course, an economic development element associated with this issue as well. Historically, both public and private dollars have supported the state loan repayment program, a reality that acknowledges a dedicated, shared investment in the community and the health of the population. We have evidence that shows that the health care industry as a whole is the largest creator of jobs in Michigan, making it arguably the economic engine of our state. Data also show that employers generally do not locate to areas that lack strong health care systems.

Thus, it is important that policymakers approach incentive programs, like the state loan repayment program, as a robust *investment* in building and strengthening our communities as well as supporting a healthier, thriving citizenry. These bills make substantial improvements to update the existing program to reflect modern day challenges associated with student loan debt. Funding and continuing to expand this program is essential if our leaders wish to make a serious commitment to increasing access to quality care in medically underserved communities and throughout the state.

With that, I respectfully request that you support Senate bills 648 & 649. Thank you for the opportunity to testify today on this important issue. I am happy to answer any questions you may have.